A copy of this Prospectus has been filed with the Registrar of Joint Stock Companies of the Province of Alberta. The Shares referred to herein are being offered in Canada but not in the United States of America. This Prospectus is not and under no circumstances is to be construed as an offering in the United States of America or the territories or possessions thereof, or an offering to any resident thereof or a solicitation therein of an offer to buy.

NEW ISSUE

$1,250,000

ALASKA-YUKON REFINERS & DISTRIBUTORS LTD.

(Incorporated under the laws of Alberta)

6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A"

(PAR VALUE $25.00)

With Common Share Subscription Rights

These 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A", hereinafter referred to as "the Series "A" Preferred Shares", are preferred as to capital and dividends. Cumulative dividends of $1.50 per share per annum will accrue from August 1, 1957, payable, when and as declared, quarterly (February, May, August and November 1st) in Canadian funds by cheque at par at any branch of the Company's bankers in Canada. Redeemable as a whole or in part on 30 days' notice at any time at $26 per share and accrued dividends.

So long as any of the Series "A" Preferred Shares are outstanding, the Company shall, within four (4) months after the close of each fiscal year, establish a sinking fund (the first instalment whereof shall be provided in respect of the fiscal year ending in 1959) to be used for the retirement of the Series "A" Preferred Shares, by setting aside in the hands of the transfer agent a sum equal to 10% of the Net Earnings (as defined) after preferred dividends for the preceding fiscal year or $50,000, whichever shall be the greater. Series "A" Preferred Shares purchased by the Company may be applied in lieu of sinking fund instalments to the extent of the actual cost of purchase thereof.

The Series "A" Preferred Shares are non-voting unless eight quarterly dividends are unpaid or unless the Company is in default in respect of two annual sinking fund instalments. In either of these events the holders of the Preferred Shares of all series shall be entitled to elect a majority of the Board of Directors and shall retain that right until dividend arrears are eliminated and sinking fund instalments paid.

A full statement of the provisions relating to the Series "A" Preferred Shares appears on pages 11 to 14, inclusive, of this Prospectus.

Common Share Subscription Rights

Certificates for Series "A" Preferred Shares will be originally issued in Interim form and each shall have imprinted thereon the Right of the holder thereof to subscribe for eight (8) Common Shares in respect of each Series "A" Preferred Share represented by the Interim Certificate.

Subscription Rights may be exercised on presentation to the Transfer Agent of the Series "A" Preferred Share Interim Certificate and payment of applicable subscription price, namely

$3.00 per Share		to March 31, 1958,	inclusive.
$3.50 " "	thereafter	" March 31, 1959,	"
$4.00 " "	"	" March 31, 1960,	"
$4.50 " "	"	" March 31, 1961,	"
$5.00 " "	"	" March 31, 1962,	"

Provision is made for adjustment of the Common Share Subscription Rights in certain events. Reference is made to the caption Common Share Subscription Rights appearing on page 6 of this Prospectus for further particulars.

Transfer Agent and Registrar:

Montreal Trust Company, Halifax, Montreal, Toronto, Edmonton and Vancouver.

PRICE: $23.75 PER SHARE (including Common Share Subscription Rights).

TO YIELD: 6.32%

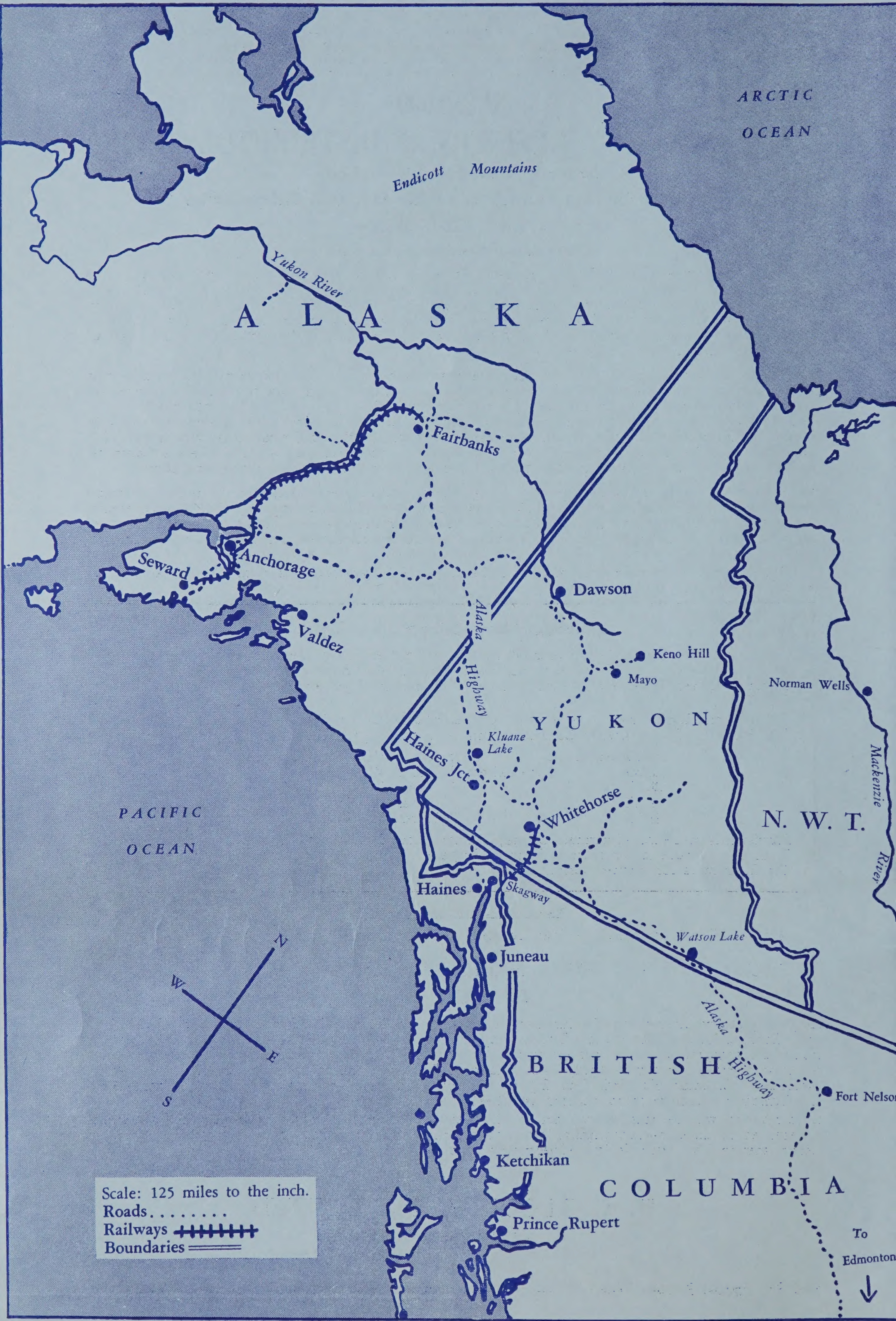
As principals, we offer these 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" with Common Share Subscription Rights, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Field, Hyndman, Field, Owen, Blakey & Bodner, Edmonton, and on our behalf by Messrs. McMichael, Common, Howard, Cate, Ogilvy & Bishop, Montreal, who may rely upon the opinion of the Company's Counsel as to matters of Alberta law.

Subscriptions will be received subject to allotment or rejection in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Interim Certificates will be available for delivery on or about March 5th, 1957.

H. C. FLOOD & CO. LIMITED

INVESTMENT DEALERS

360 St. James Street West — Telephone: PLateau 4871 — Montreal



ARCTIC OCEAN
Endicott Mountains
Yukon River
ALASKA
Fairbanks
Anchorage
Seward
Valdez
Dawson
Keno Hill
Mayo
Norman Wells
Alaska Highway
YUKON
Kluane Lake
Haines Jct.
Whitehorse
N. W. T.
Mackenzie River
PACIFIC OCEAN
Haines
Skagway
Watson Lake
Juneau
BRITISH
Alaska Highway
Fort Nelson
N
W
E
S
Ketchikan
COLUMBIA
Prince Rupert
To Edmonton
Scale: 125 miles to the inch.
Roads........
Railways
Boundaries

(LETTERHEAD)

ALASKA-YUKON REFINERS & DISTRIBUTORS LTD.

H. C. Flood & Co. Limited,
360 St. James Street West,
Montreal, Que.

Edmonton, Alberta,
January 18, 1957.

Dear Sirs:

In connection with your purchase of 50,000 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" with Common Share Subscription Rights, of Alaska-Yukon Refiners & Distributors Ltd., I have pleasure in providing the following information:

THE COMPANY

Alaska-Yukon Refiners & Distributors Ltd. was incorporated in Alberta in 1937 as Shamrock Petroleum Ltd. It was inactive until June 1955 when certain petroleum and natural gas leases were acquired in Canada and the United States. When it was decided to enter the business of refining and distributing oil products, these assets were sold to Silver City Petroleums Ltd. Prior to the sale, Alaska-Yukon had drilled one producing and one dry well and had carried out sufficient geophysical exploratory work to maintain the leases in good standing. In November 1956, in order to reflect more accurately the nature of the Company's business, its name was changed to Alaska-Yukon Refiners & Distributors Ltd., (hereinafter referred to as Alaska-Yukon). Joseph T. Sparling, President of Alaska-Yukon is a director but not an officer of Silver City Petroleums Ltd. Alaska-Yukon does not participate in the management of Silver City Petroleums Ltd.

THE PROGRAM

Alaska-Yukon proposes to enter aggressively into the business of refining, transporting and distributing oil products in the United States Territory of Alaska and the adjacent Yukon Territory of Canada. This envisages a program to be carried out over the next few years in three stages. It is significant to note that the success of each stage is not dependent on succeeding stages being completed. Current financing is designed to complete Stage 1.

Stage 1 - Distribution — Alaska-Yukon has already commenced the construction of marine terminals, tankage, warehouses and loading facilities at Haines, Alaska, and materials for another marine terminal are on the site at Valdez, Alaska. These are the two year-round deep water ports selected as being most suitable for the purpose. Bulk storage plants are now being constructed at Fairbanks in Alaska and Whitehorse in the Yukon.

An agreement has been entered into with Royalite Oil Company, Limited (hereinafter referred to as Royalite) under which Royalite has agreed to lease these facilities for varying terms. Royalite, a substantial and fully integrated Canadian company with experience in marketing petroleum products, will operate the leased facilities.

Yukon-Shamrock Distributors Ltd., which will operate out of Whitehorse and Alaska-Shamrock Distributors Inc., out of Fairbanks, have been organized as wholesale distributors of petroleum products. Apart from its present holdings of shares of both of these Companies, Alaska-Yukon is obligated to purchase additional shares of these Companies equal to the value of shares which may be taken up in the future by local interests to provide further funds for these Companies' operations. However, Alaska-Yukon is entitled to acquire 50% of the authorized shares of these Companies, and it is the present intention of Alaska-Yukon to maintain this percentage interest. Royalite has agreed to enter into consignment agreements with these Companies upon completion of the facilities mentioned.

It is proposed to set up similar distribution companies in Anchorage and Juneau.

With the completion of these arrangements Alaska-Yukon will, it is believed, become a major factor in the marketing of petroleum products in Alaska and the Yukon and in the adjoining area of British Columbia. Market and earnings potentials are discussed below.

Stage 2 - Pipeline — Civilian requirements in the Yukon Territory now exceed 10 million gallons (U.S.) of petroleum products per year. Military and government requirements are even higher. A portion of this gallonage is trucked up the Alaska highway from Dawson Creek, B.C., but most of it comes from Californian refineries and enters the Whitehorse area from Alaskan ports.

Upon completion of Stage 1, it is contemplated that a pipeline (minimum 4½") will be built from Haines, Alaska, to serve Whitehorse, Y.T. Engineers' studies and market surveys indicate that such a line would be profitable and reduce prices to the majority of Yukon consumers of petroleum products.

The estimated cost of the proposed line is $3,500,000 and it is planned that this will be largely raised through senior financing, effected by the pipeline company proposed to be incorporated, with Alaska-Yukon holding a substantial equity interest in the pipeline company in order to assure it of participation in this project.

If the existing "Canol System" now under government control, could be used as a common carrier it would cut new construction requirements and also greatly extend market coverage. This pipeline extends from Skagway, Alaska, through Carcross to Whitehorse and thence north west to Haines Junction and Fairbanks, Alaska, and south east from Carcross to Watson Lake.

Stage 3 - Refinery — There is no refinery in either Alaska or the Yukon. The cost of importing refined products is usually greater than would be the cost of importing crude oil. The rapid growth of the two Territories indicates the need for up-to-date refining facilities.

Alaska-Yukon proposes to construct a modern oil refinery at the port of Haines, Alaska, for which it has arranged a suitable site, and to acquire certain refining equipment. Being a deep water sheltered port, Haines offers many advantages as a refinery site. Canadian crude is available from Vancouver as well as crude from Indonesia and other world sources. Haines is the terminal of the 8" products line built for the U.S. government to Fairbanks and confined to military use. A refinery at Haines could serve the Yukon through the "Canol System", in conjunction with the proposed pipeline described in Stage 2 above, or by the White Pass and Yukon Railway. Haines is connected by road to the Alaska Highway and by it to Whitehorse and Fairbanks. By water, products can be readily

shipped to Juneau, the capital of Alaska, to Anchorage, the largest city, and to other points such as Seward, Valdez and Ketchikan.

The size of the refinery will be determined as a result of marketing experience gained during 1957. Arrangements have been completed to acquire the equipment of a 7,500 barrel per day refinery with a 2,500 barrel per day thermal cracking unit. Preparation of the site has started and completion of the refinery is planned for 1958 by which time Alaska-Yukon and Royalite will have had the opportunity to build up their marketing organizations and it is expected the Haines-Whitehorse pipeline (Stage 2) will be operative.

Surveys by independent consultants indicate that a refinery capacity of 8,000 barrels per day would fall short of satisfying that portion of the market that Alaska-Yukon and Royalite should capture.

It is estimated that additional financing in the order of $6,000,000 may be required to complete a refinery with a 6,500 barrel daily capacity. A study by The Refinery Engineering Company of Tulsa, Oklahoma, indicates an annual net profit of approximately $1,500,000, after maximum depreciation, interest and taxes, at such rate of throughput.

The impact of such earnings on the comparatively small capitalization of Alaska-Yukon would be very important and must be kept in mind when assessing the potential value of the Common Share Subscription Rights which accompany the Series "A" Preferred Shares.

THE MARKET AREA

Alaska is a large and active territory twice the size of Texas and almost as large as Quebec. Here are some pertinent statistics:

Population	220,000	excluding military
Population of Juneau, the capital	10,000	" "
Population of Anchorage, the largest city	75,000	" "
Total Bank Deposits (June 30, 1956)	$155,111,053	
Gross Volume of Business Reported (1955)	$493,974,028	
Licenses issued — passenger cars and motorcycles	43,085	
Licenses issued — trucks, busses and trailers	16,528	
Total import of petroleum products (1954)	917,022	tons
Gallons of Taxable motor fuel sold (1955)	70,882,247	

Population and industrial activity have expanded considerably in recent years. Emphasis is on pulp and paper, fishing and mining but so important are the military installations that they may be considered the area's leading "industry".

The **Yukon Territory** is equal to the combined area of the Maritime Provinces including Newfoundland and Labrador. Although the population is presently only about 10,000, exclusive of the military forces, this represents an increase of 100% over the 1951 figure. Mining is the major industry and holds great promise for expansion in view of the important discoveries which have been made recently. Large hydro-electric developments are being planned and, as in the case of Alaska, it appears that the military forces are to be a permanent and substantial contributor to the economy and large consumers of petroleum products. The development of the territory is leading to new road construction and much greater use of existing roads. This will greatly expand the consumption of petroleum products. $3,000,000 is being spent on a new hospital at Whitehorse and a $5,000,000 contract has been let for a power development for that city.

The portion of British Columbia adjacent to the Yukon will also be in the Company's marketing area. This embraces the mining properties at Atlin and Cassiar and the hydro-electric developments planned for Taku.

Population increases throughout the whole marketing area will result in greater increases in oil consumption than might be expected elsewhere. The long winter places heavy demands on heating oil and the mines normally rely on diesel generated power.

SURVEY OF MARKET POTENTIAL

Before embarking on this project both Alaska-Yukon and Royalite made surveys of the market in order to assess the profit potentiality. Subsequently, at your request, Alaska-Yukon arranged for an independent market survey to be made. Creative Business Counsel, a California firm specializing in this work, was retained and their representative made a tour of the area interviewing consumers, retailers, wholesalers, truckers, military commanders, bankers, leading citizens and government officials. Their detailed report may be inspected at the Company's head office. In substance it confirmed the findings of Alaska-Yukon's own survey which broke down 1955 consumption, in U.S. gallons, as follows:

Territory of Alaska

Product	**Gals. Consumed**	
Motor Gasoline	77,075,670	
Aviation Gasoline	15,279,222	
Diesel Oils	118,519,968	
Miscellaneous	53,455,508	264,330,368

Yukon Territory

Product	**Gals. Consumed**	
Motor Gasoline	8,230,488	
Aviation Gasoline	1,033,998	
Diesel Oils	21,597,282	
Miscellaneous	560,658	31,422,426
Total Annual Consumption in U.S. Gallons		295,752,794

The following paragraphs are taken directly from the report of Creative Business Counsel.

"While the question of what proportion of the Alaskan and Yukon markets Shamrock (now Alaska-Yukon) may expect to capture can at best be little more than an "educated guess", several factors should indicate that Shamrock's estimate of 30% is most conservative."

And referring to the refinery:

"Facts balance out most favorably for the success of the proposed venture. Logistically, the Haines site is the best available for uninterrupted service and economical delivery to the existing markets, which also are the logical areas for market expansion. This latter conclusion is based on the limited highway and transportation facilities available, on housing availability and general business concentration.

Distributor, retailer and substantial consumer support seem assured just as soon as production begins.

A major market for high-profit heavy residuals and petroleum asphalt awaits only the availibility of these by-products and demonstration of ability to deliver them in workable condition.

Competitive fuels do not seem to loom as much of a threat. Users have been conditioned to petroleum products and, in general, are equipped to burn them. Coal qualities are not stable."

PURPOSE OF ISSUE

The net proceeds to be derived from this issue of 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" will be applied approximately as follows:

Marine Terminal and Facilities at Haines and elsewhere in Alaska	$388,000
Bulk Station and Facilities at Whitehorse, Y.T.	106,000
Bulk Station and Facilities at Fairbanks, Alaska	120,000
Balance payable on refinery equipment purchase	50,000
Preliminary preparation of refinery site	10,000
Expenses of issue	15,000
Working capital and general corporate purposes including payment of current liabilities	373,500
	$1,062,500

It is believed that this financing will supply the Company with sufficient funds to complete Stage 1 of the Program and commence preparation of Stages 2 and 3.

CAPITALIZATION

(after giving effect to the present issue)

	Authorized	Issued
Cumulative Sinking Fund Redeemable Preferred Shares of the Par Value of $25.	100,000 shares	
6% Series "A" Preferred Shares (this issue)		50,000 shares
Common, No Par Value	3,101,686 shares*	949,157 shares

* (of which 500,000 shares are reserved for the exercise of Common Share Subscription Rights).

There is no Funded Debt and no securities rank prior to the Series "A" Preferred Shares.

ESTIMATED EARNINGS

The Program outlined contemplates the profitable operation of each of the three Stages independently of the others. For Stage 1 - Distribution - the following is forecast:

Minimum annual rental accruing under agreement with Royalite to lease bulk stations and marine terminals .... $ 51,274

Alaska-Yukon's share of annual pre-tax profits of distributing companies from marketing of:

1,000* barrels of products per day	$ 105,812
1,500 " " " " "	160,500
2,000 " " " " "	260,375
3,000 " " " " "	399,375
4,500 " " " " "	642,687
6,000 " " " " "	884,225
7,500 " " " " "	1,148,537

* (Contracts already exist with associated companies for this amount).

Estimates of gross income of the distributing companies were computed by the Alaska-Yukon management, relying on the surveys referred to under the caption "Survey of Market Potential", and costs were estimated by such management based on their experience.

It is estimated that earnings from Stage 1 should be sufficient to cover maximum annual dividend requirement of $75,000 on the Series "A" Preferred Shares.

These Series "A" Preferred Shares have been designed to give the investor a preferred position relative to the present shareholders of the Company and an opportunity to participate importantly as success is achieved. The attractiveness of the issue with accompanying Common Share Subscription Rights lies in the earnings potential of such Common Shares from all Stages of the Program.

Pipeline Technologists, independent consultants of Houston, Texas, and Calgary, Alberta, have estimated an annual Net Profit of $278,400 for the proposed Haines-Whitehorse line (Stage 2) in the second year of its operation at a throughput of 2,000 barrels per day. The estimate for 3,000 barrels per day is $323,500. Alaska-Yukon's interest in such profits will be in proportion to its equity in the proposed pipeline company.

As mentioned, The Refinery Engineering Company, an independent engineering organization, has calculated a Net Profit of $1,500,000 per annum for the proposed refinery (Stage 3) at 6,500 barrels throughput per day. This is after maximum depreciation, interest and taxes.

To the earnings which Alaska-Yukon is expected to derive from Stages 2 and 3 of the Program must be added the applicable portion of profits from Stage 1. While the potential is great the many unknown factors make any estimate of long term earnings applicable to the Common Shares purely speculative.

COMMON SHARE SUBSCRIPTION RIGHTS

The Common Share Subscription Rights evidenced by Warrant attached to the Interim Certificates for Series "A" Preferred Shares will be subject to the provisions of an Indenture bearing formal date of January 2, 1957 between the Company and Montreal Trust Company.

This Indenture will provide in effect that, in the event of (a) any reduction in the number of Common Shares outstanding due to consolidation thereof, or (b) any increase in the number of Common Shares outstanding due to subdivision thereof or to the declaration of any stock dividend payable in Common Shares, a proportionate adjustment in the number of Common Shares issuable pursuant to the Common Share Subscription Rights evidenced by the Warrant subsequent to any such change becoming effective and in the Subscription Price will be made, and, in the event of the Company issuing additional Common Shares at any time prior to the close of business on March 31, 1962, at a price less than the Subscription Price then prevailing in respect of the Common Share Subscription Rights, the Subscription Price as set forth therein will be adjusted so as to preserve proportionately such Subscription Rights to the extent and in the manner provided in the Indenture. The Company has covenanted in the Indenture to reserve at all times such number of the authorized but unissued Common Shares as shall be sufficient to effect the issue of such shares upon exercise of all outstanding Common Share Subscription Rights.

Provision is made in the Indenture for the issue of appropriate Interim Certificates for Series "A" Preferred Shares with Common Share Subscription Rights attached and Definitive Certificates for Series "A" Preferred Shares in the event of exercise of Common Share Subscription Rights or the redemption of Series "A" Preferred Shares represented by outstanding Interim Certificates.

SUMMARY OF CERTAIN PROVISIONS OF SERIES "A" PREFERRED SHARES

Dividends: The holders of these Series "A" Preferred Shares shall be entitled to receive fixed preferential dividends at the rate of $1.50 per annum payable quarterly on the first days of February, May, August and November. Such dividends shall be cumulative from August 1, 1957.

Sinking Fund: So long as any of the Series "A" Preferred Shares are outstanding the Company shall within four months after the close of each fiscal year, commencing with that ending in 1959, establish a sinking fund to be used for the retirement of Series "A" Preferred Shares by paying over to the Transfer Agent for the Preferred Shares (a) a sum equal to ten percent (10%) of its Net Earnings (as defined) for the preceding fiscal year after deduction therefrom of an amount equal to the dividends paid in such year on the Series "A" Preferred Shares and Preferred Shares of any other series, or (b) $50,000, whichever is the greater: the said sum shall be applied forthwith by the Transfer Agent in the purchase of Series "A" Preferred Shares at prices per share not exceeding the redemption price, plus cost of purchase, and to the extent that Series "A" Preferred Shares cannot be so purchased within sixty (60) days of receipt by it of any sinking fund instalment then to the redemption of Series "A" Preferred Shares.

The Company may, in lieu of providing a sinking fund instalment in cash, acquire Series "A" Preferred Shares, by purchase, and shall be entitled to apply Shares so purchased in lieu and in satisfaction of such sinking fund instalments to the extent of the actual cost of the purchase of such shares.

Voting Power: If at any time there shall remain unpaid in the aggregate eight quarterly cumulative dividends on the Preferred Shares (whether for consecutive quarterly periods or not) and/or if the Company shall be in default in setting aside the sum for any Sinking Fund provided for with respect to any series of Preferred Shares to the extent of two annual instalments, (whether for consecutive periods or not), the holders of Preferred Shares shall be entitled to one vote in respect of each Preferred Share held, and to vote separately and exclusively as a class for the election of the majority of the total number of Directors. The holders of shares of the Company, other than the Preferred Shares, have no voice in any such election but shall vote separately and exclusively for the election of the other Directors. The right to receive notice of meetings, vote and to elect Directors as aforesaid shall continue until, but not after, all arrears of dividends or sinking fund instalments as the case may be, are paid or set aside in full.

INCOME TAX CREDIT

In the opinion of Counsel, residents of Canada in receipt of dividends on the Company's Series "A" Preferred Shares and Common Shares will be entitled to deduct from income tax the amount specified in Section 38 of the Income Tax Act, normally 20% of the dividend.

MANAGEMENT

The arrangements with Royalite Oil Company, Limited, are expected to bring about a close liaison in the direction of the Company's distributing and marketing operations. Royalite has built a substantial wholesale and retail organization in Western Canada and its experience in this field is expected to be of much help to Alaska-Yukon.

Mr. Joseph T. Sparling is President of Alaska-Yukon. Mr. Sparling has had 30 years experience in the construction and oil industries. He was Construction Superintendent on the Canol project in Alaska and the Yukon during World War II and is, therefore, familiar with the area. Subsequently, he was President of Sparling-Davis Co. Limited, in Edmonton, specializing in all types of oil field construction and engaging in refinery engineering design and erection. Since the sale of that Company, Mr. Sparling has devoted himself to other phases of the oil business and to the development of the present project.

In addition to Mr. Sparling the Board of Directors includes the following:

CHARLES M. DRURY, Q.C., Montreal,
President: Provincial Transport Co. Ltd.,
Member: Council of the Northwest Territories,
Formerly Deputy Minister, Department of National Defence.

ERIC M. DUGGAN, Edmonton,
President: D. M. Duggan Investments Ltd.,
Past President: Edmonton Stock Exchange,
Director: Polychemical Industries Ltd.

HAROLD A. FULLER, Calgary,
Vice-President.
Professional Engineer.

HARRISON H. HEISLER, Calgary,
Vice-President and Operations Manager,
Petroleum Engineer.

GEORGE BEVERLY McKEEN, Vancouver,
Vice-President: McKeen & Wilson Ltd.,
" Deeks-McBride Ltd.
Director: Straits Towing Ltd.

JOHN G. PORTEOUS, Q.C., Montreal,
Partner: McMichael, Common, Howard, Cate, Ogilvy & Bishop,
Vice-President: Campbell Chibougamau Mines Ltd.,
Director: Gatineau Power Company.

JOHN C. ROGERS, Montreal,
President: H. C. Flood & Co., Limited,
" Supervised Investment Limited,
" Canadoil Production Finance Ltd.,

Mr. David W. Wilson who will be Marketing Manager and a Director of Yukon-Shamrock Distributors Ltd., and Alaska-Shamrock Distributors Inc., the marketing subsidiaries, has spent most of his business career in Alaska, Yukon and the Northwest Territories. He has been Superintendent of the Petroleum Division of the White Pass and Yukon Railway and Operations Manager of the Yellowknife Transportation Company.

Yours very truly,

J. T. SPARLING,
President,
Alaska-Yukon Refiners & Distributors Ltd.

ALASKA-YUKON REFINERS & DISTRIBUTORS LTD.
(formerly "Shamrock Petroleum Limited")
BALANCE SHEET
At 31st October, 1956

ASSETS

CURRENT ASSETS:			
Cash in bank			$ 966.31
Accounts receivable			3,850.00
Note receivable 1st July, 1957			100,000.00
			104,816.31
NOTE RECEIVABLE:			
5% Note of Silver City Petroleums Ltd, due 9th July, 1958 (see Note 1)			132,000.00
INVESTMENTS IN ASSOCIATED COMPANIES, at cost less amounts realized:			
1,448,825 shares of Silver City Petroleums Ltd. (see Note 2)		$ 174,083.50	
20,000 shares of Alaska Shamrock Distributors, Inc.		20,000.00	194,083.50
FIXED ASSETS, at cost:			
Automobile			3,000.00
RIGHTS IN REFINERY, TERMINAL AND STORAGE SITES AND REFINERY EQUIPMENT, at cost (see Note 4)			270,000.00
DEFERRED CHARGES:			
Market surveys, engineering reports and other development costs		112,103.57	
Organization expense		9,631.96	121,735.53
			$ 825,635.34

LIABILITIES

CURRENT LIABILITIES:			
Bank loan, secured			$ 49,000.00
Accounts payable			16,604.30
Loan payable			3,000.00
Advances from director			81,028.66
Notes payable, secured (see Note 2)			16,500.00
Balance on refinery equipment			50,000.00
			216,132.96
CAPITAL STOCK:			
Authorized:			
5,000,000 shares of no par value (see Note 5, (b) and (c))			
Issued and fully paid:			
For properties and other consideration	2,402,463 shares	$ 538,731.50	
For cash	425,000 shares	100,000.35	
	2,827,463 shares	638,731.85	
DEFICIT:			
Loss on disposal of properties	$ 9,968.70		
Operating loss from commencement of operations on 14th June, 1955	19,260.77	29,229.47	609.502.38
			$ 825,635.34

The accompanying Notes 1 to 5 are a part of this statement.

APPROVED ON BEHALF OF THE BOARD

(Signed) "J. T. SPARLING", Director
(Signed) "E. M. DUGGAN", Director

AUDITORS' REPORT

To the Directors of
Alaska-Yukon Refiners & Distributors Ltd.

We have examined the above balance sheet of ALASKA-YUKON REFINERS & DISTRIBUTORS LTD. (formerly "Shamrock Petroleum Limited") at 31st October, 1956 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above balance sheet, with the accompanying notes, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at 31st October, 1956 according to the best of our information and the explanations given to us and as shown by the books of the company.

EDMONTON, Canada,
23rd November, 1956.

CHRISTENSON, SIMONTON & CO.
Chartered Accountants.

NOTES TO BALANCE SHEET AND PRO FORMA BALANCE SHEET
At 31st October, 1956, appearing on pages 8 and 9 of this Prospectus

Note 1 : As of 30th June, 1956, the company sold its petroleum and natural gas properties and production equipment to Silver City Petroleums Ltd. for the sum of $264,686.30, of which $132,686.30 was satisfied by the receipt of 780,508 fully paid shares of the capital stock of Silver City Petroleums Ltd., the balance of $132,000.00 being payable in cash on or before 9th July, 1958, with interest at the rate of 5%. To secure the note received for the unpaid balance, title to all the assets sold remains with Alaska-Yukon Refiners & Distributors Ltd. until full payment is received. To pay this balance Silver City Petroleums Ltd. will need to dispose of some of its properties or obtain additional funds.

Note 2 : Alaska-Yukon Refiners & Distributors Ltd. holds 49.1% of the outstanding shares of Silver City Petroleums Ltd. 500,000 of the Silver City Petroleums Ltd. shares held by the company are pledged to secure notes payable of $16,500.00, the balance of the purchase price of the shares. 450,000 of these 500,000 shares are held in escrow. An additional 875,825 shares are pledged to secure bank loans. The Company realized $22,602.88 from disposals of 171,683 shares of Silver City Petroleums Ltd.

Note 3 : Subsequent to the 31st October, 1956:—(a) an additional 4 shares of Alaska Shamrock Distributors Inc. were issued to Alaska-Yukon Refiners & Distributors Ltd. and 20,004 shares of Alaska Shamrock Distributors Inc. were issued to others; and (b) 20,004 shares of Yukon Shamrock Distributors Ltd. were subscribed by Alaska-Yukon Refiners & Distributors Ltd. and 20,002 shares of Yukon Shamrock Distributors Ltd. were subscribed by others. Alaska-Yukon Refiners & Distributors Ltd. holds 50% or less of the issued and subscribed shares of Alaska Shamrock Distributors Ltd. and Yukon Shamrock Distributors Ltd. Previously 2 incorporator's shares only had been issued to others.

Note 4 : 600,000 common shares (converted into 200,000 common shares by amendment to the Memorandum of Association dated November 15th, 1956) were issued as part consideration for acquisition of the equipment of a refinery. A further 600,000 common shares (converted into 200,000 common shares by amendment to the Memorandum of Association dated November 15th, 1956) were issued as consideration for transfer to the company of certain refinery, terminal and storage sites at Haines, Valdez and Fairbanks in Alaska and Whitehorse in the Yukon, titles to which are in course of completion and are to be delivered without additional cost to the company.

Note 5 : The company has made the following commitments:

(a) Letter of intent agreed with The Refinery Engineering Company of Tulsa, Oklahoma, covering (1) erection of marine terminals and bulk stations estimated to cost $614,000.00, exclusive of sites; and (2) reimbursement of The Refinery Engineering Company for preliminary engineering, dismantling and moving costs, estimated at $50,000.00, should a contract not be awarded it for construction of a refinery;

(b) Agreement with Alaska Propane Company, Inc. to issue additional common shares in exchange for an equal value of the Class "A" voting shares of Alaska Shamrock Distributors Inc. The value of such common shares to be issued will be equal to the value of said voting shares taken up by other parties; a maximum of 480,000 shares (reduced to 160,000 shares on November 15th, 1956) may be required for this purpose; and

(c) Agreement with Yukon Shamrock Distributors Ltd. to issue additional common shares in exchange for an equal value of shares of that company. The value of such common shares to be issued will be equal to the value of shares of Yukon Shamrock Distributors Ltd. taken up by other parties. A maximum of 30,000 shares (reduced to 10,000 shares on November 15th, 1956) may be required for this purpose after the issue of 20,004 shares on 13th November, 1956.

ALASKA-YUKON REFINERS & DISTRIBUTORS LTD.
(formerly "Shamrock Petroleum Limited")
PRO FORMA BALANCE SHEET
At 31st October, 1956

After giving effect as of 31st October, 1956 to:

(a) The issue of 20,004 Common Shares to Yukon Shamrock Distributors Ltd. for 20,004 shares of the latter, pursuant to Agreement dated November 13, 1956 between Yukon Shamrock Distributors Ltd. and the Company respecting the latter's share capital participation in Yukon Shamrock Distributors Ltd. and the issue of 4 Common Shares to Alaska Shamrock Distributors Inc., for 4 shares of the latter, pursuant to Agreement dated August 24, 1956 between Alaska Propane Company Inc. and the Company respecting the latter's share capital participation in Alaska Shamrock Distributors Inc.

(b) a reduction of 1,898,314 in the number of authorized common shares and in the number of outstanding common shares through the conversion of each three common shares outstanding on 15th November, 1956, into one common share.

(c) the authorization of 100,000 Cumulative Sinking Fund Redeemable Preferred Shares with a par value of $25.00 per share and the proposed issue and sale of 50,000 designated 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A", each such share accompanied by Common Share Subscription Rights, for $1,250,000, less cash commission of $187,500 and estimated expenses of $15,000.

ASSETS

CURRENT ASSETS:		
Cash in bank		$ 1,048,466.31
Accounts receivable		3,850.00
Note receivable 1st July, 1957		100,000.00
		1,152,316.31
5% Note Receivable from Silver City Petroleums Ltd., due 9th July, 1958 (see Note 1)		132,000.00
INVESTMENT IN ASSOCIATED COMPANIES, at cost less amounts realized:		
1,448,825 shares of Silver City Petroleums Ltd. (see Note 2)	$ 174,083.50	
20,004 shares of Alaska Shamrock Distributors, Inc.	20,004.00	
20,004 shares of Yukon Shamrock Distributors Ltd.	20,004.00	214,091.50
FIXED ASSETS, at cost:		
Automobile		3,000.00
Rights in Refinery, Terminal and Storage Sites and Refinery Equipment, at cost (see Note 4)		270,000.00
DEFERRED CHARGES:		
Market surveys, engineering reports and other development costs	112,103.57	
Organization expense	9,631.96	
Financing expenses and commission on sale of preferred shares	202,500.00	324,235.53
		$ 2,095,643.34

LIABILITIES

CURRENT LIABILITIES:			
Bank loan, secured			$ 49,000.00
Accounts payable			16,604.30
Loan payable			3,000.00
Advances from director			81,028.66
Notes payable, secured (see Note 2)			16,500.00
Balance on refinery equipment			50,000.00
			216,132.96
CAPITAL STOCK:			
Authorized:			
100,000 Cumulative Sinking Fund Redeemable Preferred Shares, par value $25.00		$ 2,500,000.00	
3,101,686 Common Shares without nominal or par value* (see Note 5, (a) and (b))			
Issued and fully paid:			
50,000 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" with a par value of $25.00 each, redeemable at $26.00 per share		1,250,000.00	
949,157 Common Shares without nominal or par value:			
For properties and other consideration .... 807,491 shares	$ 558,739.50		
For cash .... 141,666 shares	100,000.35	658,739.85	
		1,908,739.85	

* 500,000 Common Shares are reserved for issue upon exercise of Common Share Subscription Rights entitling the holder to purchase Common Shares at the following prices:

$3.00 per share to 31st March, 1958, inclusive;
3.50 per share thereafter to 31st March, 1959, inclusive;
4.00 per share thereafter to 31st March, 1960, inclusive;
4.50 per share thereafter to 31st March, 1961, inclusive;
5.00 per share thereafter to 31st March, 1962, inclusive.

Of the Common Share Subscription Rights 400,000 accompany the 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" and 100,000 are to be retained by the Underwriter or assignees.

DEFICIT:			
Loss on disposal of properties	$ 9,968.70		
Operating loss from commencement of operations on 14th June, 1955	19,260.77	29,229.47	1,879,510.38
			$ 2,095,643.34

The accompanying Notes 1 to 5 are part of this statement.

APPROVED ON BEHALF OF THE BOARD

(Signed) "J. T. SPARLING", Director
(Signed) "E. M. DUGGAN", Director

AUDITORS' REPORT

To the Directors of
Alaska-Yukon Refiners & Distributors Ltd.

We have examined the above pro forma balance sheet of ALASKA-YUKON REFINERS & DISTRIBUTORS LTD. (formerly "Shamrock Petroleum Limited") at 31st October, 1956 and have obtained all the information and explanations we have required.

In our opinion the above pro forma balance sheet, with the accompanying notes, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at 31st October, 1956, after giving effect to the transactions set out in the headnote to the above pro forma balance sheet, according to the best of our information and the explanations given to us.

EDMONTON, Canada,
17 January, 1957.

CHRISTENSON, SIMONTON & CO.
Chartered Accountants.

STATUTORY INFORMATION

(a) The full name of the Company is ALASKA-YUKON REFINERS & DISTRIBUTORS LTD. (hereinafter called the "Company"). The address of its head office is 11751 - 124th Street, Edmonton, Alberta.

(b) The Company was incorporated under the Companies Act of the Province of Alberta on February 9, 1937 under the name of Shamrock Petroleum Limited by the filing with the Registrar of Joint Stock Companies of a Memorandum of Association. The Memorandum of Association was amended on June 24, 1944, November 15, 1956, and November 23, 1956. By the latter its name was changed to Alaska-Yukon Refiners & Distributors Ltd. The Articles of Association were amended on May 11, 1955 and on November 15, 1956.

(c) The general nature of the business to be transacted will be the distribution of petroleum products in Alaska and Yukon Territories, including the refining thereof. Prior to June 1956, the business transacted by the Company was the acquisition of petroleum and natural gas leases and their exploration.

(d) The Officers and Directors of the Company, their full names, present occupations and home addresses are:

OFFICERS

President	Joseph Theodore SPARLING, Executive.	9911 - 136th Street, Edmonton, Alberta.
Vice-President	Harold Alexander FULLER, Professional Engineer.	5303 Elbow Drive, Calgary, Alberta.
Vice-President	Harrison Howard HEISLER, Petroleum Engineer.	309 Devonshire House, Calgary, Alberta.
Secretary-Treasurer	Colin Francis MacKINNON, Accountant.	10985 - 76th Ave., Edmonton, Alberta.
Assistant Secretary-Treasurer	Svea ERICKSON, Secretary.	11312 - 66th Street, Edmonton, Alberta.

DIRECTORS

Charles Mills DRURY	Executive	579 Roslyn Ave., Westmount, P.Q.
Eric Milwyn DUGGAN	Investment Dealer	11712 Edinboro Rd., Edmonton, Alberta.
Harold Alexander FULLER	Professional Engineer	5303 Elbow Drive, Calgary, Alberta.
Harrison Howard HEISLER	Petroleum Engineer	309 Devonshire House, Calgary, Alberta.
George Beverly McKEEN	Executive	1722 West, 37th Ave., Vancouver, B.C.
John Geoffrey PORTEOUS, Q.C.	Advocate	3063 Cedar Ave., Montreal, P.Q.
John Charles ROGERS	Investment Dealer	39 Thurlow Rd., Hampstead, P.Q.
Joseph Theodore SPARLING	Executive	9911 - 136th Street, Edmonton, Alberta.

(e) The Auditors of the Company are Messrs. Christenson, Simonton & Co., Chartered Accountants, 416 Alexandra Building, Edmonton, Alberta.

(f) Montreal Trust Company at its offices in the Cities of Halifax, Montreal, Toronto, Edmonton and Vancouver is the Registrar and Transfer Agent.

(g) The authorized capital of the Company consists of 100,000 Cumulative Sinking Fund Redeemable Preferred Shares of the par value of $25.00 each, of which 50,000 are designated 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" and are offered by this Prospectus, and 3,101,686 Common Shares without nominal or par value of which 949,157 have been issued as fully

paid and non-assessable. Reference is made to paragraph (h) hereof for the privileges and restrictions relating to the said shares.

The liability of members of the Company is limited to the amount unpaid on the aforesaid shares. The Company is authorized to pay a commission of 25% of the consideration received for the issue of the aforesaid shares.

(h) The respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital, including redemption rights and rights on liquidation or distribution of capital assets of each class of shares of the capital stock of the Company, are as follows:

(a) Cumulative Sinking Fund Redeemable Preferred Shares.

(1) The Preferred Shares may be issued from time to time in one (1) or more series with such designations, and such preferences, rights, conditions, restrictions, limitations and prohibitions attached thereto with respect to the rate or rates of cumulative preferential annual dividend, dates of payments, redemption and purchase, amount or amounts to be paid thereon on distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, sinking fund provisions, restrictions on dividends and other provisions not inconsistent with clauses (1) to (13) hereof, as shall be fixed hereby or from time to time before issue by a resolution or resolutions of the Board of Directors of the Company;

(2) The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series;

(3) In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding-up its affairs, the holders of the Preferred Shares shall be entitled to receive

(i) the amount paid up on such shares (not exceeding the par value thereof) together with all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date of distribution) and;

(ii) if such liquidation, dissolution, winding-up or distribution shall result from voluntary action on the part of the shareholders, an additional amount equal to the premium which would have been payable on the redemption of said Preferred Shares respectively if they had been called for redemption by the Company on the date of distribution

before any amount shall be paid to or any property or assets of the Company distributed among the holders of any other shares of the Company. After payment to the holders of the Preferred Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Company;

(4) Subject to the provisions relating to any particular series, the Company may at any time and from time to time purchase for cancellation the whole or any part of the Preferred Shares outstanding from time to time in the open market, or by invitation for tenders addressed to all the holders of record of that series of Preferred Shares outstanding, at the lowest price at which in the opinion of the Directors such Preferred Shares are then obtainable; but such price shall not in any case exceed the redemption price current at the time of purchase for the Preferred Shares being purchased plus costs of purchase; if in response to an invitation for tenders, two (2) or more shareholders submit tenders at the same price and any of such tenders are acceptable to the Company, in whole or in part, then unless the Company shall accept such tenders in whole, the Company shall accept such tenders in proportion as nearly as may be to the number of shares offered in each such tender;

(5) Subject to the provisions relating to any particular series, the Company may at any time redeem the whole or from time to time any part of the then outstanding Preferred Shares on payment of the redemption price applicable thereto; in the case of redemption of any Preferred Shares, the Company shall give at least thirty (30) days' notice in writing of the intention of the Company to redeem such Preferred Shares to each person who at the date of giving such notice is the holder of the Preferred Shares to be redeemed; the notice shall be given by posting the same in a postage paid registered envelope addressed to each holder of Preferred Shares to be redeemed at his last address as it appears on the books of the Company, or in the event of the address of any shareholder not so appearing, then to his address last known to the Company; the notice shall set out the number of Preferred shares held by the person to whom it is addresed which are to be redeemed, the redemption price and the date on which the redemption is to take place; on and after the date so specified for redemption the Company shall pay or cause to be paid to the holders of Preferred Shares to be redeemed the redemption price thereof on presentation and surrender at the Head Office of the Company, or at the offices of the Transfer Agent for the particular series, or at any other place or address within Canada designated in the notice, of the certificate or certificates representing the Preferred Shares so called for redemption; such Preferred Shares shall thereupon be redeemed; if a part only of the Preferred Shares represented by any certificate shall be redeemed, a new certificate for the unredeemed balance shall be issued; from and after the date so specified in any such notice, the

Preferred Shares called for redemption shall cease to be entitled to dividends and the holders thereof thereafter shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made by the Company upon presentation and surrender of the certificates in accordance with the foregoing provisions; should the holders of any Preferred Shares so called for redemption fail to present the certificate or certificates representing such Preferred Shares at the place and on the date specified in the said notice, the Company shall have the right to deposit the redemption price of such Preferred Shares with any chartered bank or banks or trust company or trust companies in Canada designated in the said notice to the credit of a special account or accounts in trust for the respective holders of such Preferred Shares to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, and, upon such deposit or deposits being made, such Preferred Shares shall be redeemed; after the Company has made a deposit as aforesaid with respect to any such Preferred Shares, the rights of such holders against the Company shall be limited to receiving the said redemption price without interest;

(6) So long as any Preferred Shares are outstanding the Company shall not without the Consent (as hereinafter defined) of the holders of Preferred Shares sell or otherwise dispose of (except to a Subsidiary Company) by conveyance transfer or otherwise the assets or undertaking of the Company, as an entirety or substantially as an entirety;

(7) So long as any of the Preferred Shares remain outstanding, no class of shares may be created or issued ranking as to capital or dividends prior to or on a parity with the Preferred Shares nor shall the authorized amount of the Preferred Shares be increased unless the value of the Net Tangible Assets of the Company (as hereinafter defined) is equal to at least 150% of the aggregate par value of the Preferred Shares outstanding plus the aggregate par value of the Preferred Shares to be outstanding after such proposed issue of shares;

(8) If at any time there shall remain unpaid in the aggregate eight (8) quarterly dividends on the Preferred Shares (whether for consecutive quarterly periods or not), whether such dividends have been declared or not and whether or not there are any moneys of the Company properly applicable to the payment of dividends, and/or if the Company shall be in default in setting aside the sum for any sinking fund herein or hereafter provided for with respect to any series of Preferred Shares to the extent of two (2) annual instalments (whether for consecutive periods or not), then from and after the due date of the eighth quarterly dividend which is not paid or from the date at which the Company should have set aside the second annual instalment of such sinking fund as the case may be, the holders of Preferred Shares shall be entitled to receive notices of all meetings of shareholders of the Company and to attend thereat and shall be entitled to one vote in respect of each Preferred Share held and, without limiting the foregoing, to vote separately and exclusively as a class for the election of a majority of the total number of Directors and the holders of shares of the Company other than the Preferred Shares shall have no voice in any such election but shall vote separately and exclusively for the election of the other Directors. The right to receive notice of meetings, vote and to elect directors as aforesaid shall continue until but not after all arrears of dividends or sinking fund instalments as the case may be, are paid or set aside in full. Nothing herein contained shall be deemed to limit the right of the Company from time to time to increase or decrease the number of its Directors. Save as herein provided, the holders of Preferred Shares shall not be entitled to notice of, attend or vote at any meetings of the shareholders of the Company, unless the meeting is called for authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof;

(9) Notwithstanding that any Preferred Shares are outstanding, the Company may declare or pay any dividend by cash or stock on any shares of the Company ranking junior to the Preferred Shares and may redeem or otherwise pay off, if permitted by the terms and conditions, to which the same are subject, any shares of the Company ranking junior to the Preferred Shares if, at the date of the declaration, payment, redemption or payment off:

(a) all dividends accrued and that for the current quarter on the Preferred Shares then issued and outstanding shall have been declared and paid or provided for;

(b) no default exists under the sinking fund provisions provided for any Preferred Shares;

(c) the Working Capital (as hereinafter defined) is not less than Three Hundred Thousand ($300,000.00) Dollars, after giving effect to such declaration, payment, redemption or payment off;

(10) Fifty Thousand (50,000) of the Preferred Shares shall be designated as 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" (hereinafter called the "6% Preferred Shares") and in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions attached to all Preferred Shares as a class, the preferences, rights, conditions, restrictions, limitations and prohibitions attached to the 6% Preferred Shares shall be as follows:

(a) The holders of 6% Preferred Shares shall be entitled to receive, when and as declared by the Board of Directors of the Company, out of the moneys of the Company properly applicable to the payment of dividends, fixed, cumulative, preferential cash dividends at the rate of six (6%) per cent per annum on the amount paid up thereon and no more, such dividends to be cumulative from August 1, 1957 or from the respective dates of the issue, whichever is the later; such dividends shall be payable quarterly on the first days of February, May, August and November in each year, commencing with the first day of November, 1957 and shall be paid by warrant or cheque of the Company payable at par at any branch of the Company's bankers in Canada;

(b) The Company may, upon compliance with the provisions of clause (5) hereof, at any time redeem the whole or from time to time, provided dividends thereon are not in arrears, any part of the then outstanding 6% Preferred Shares on payment of the amount paid upon each such share plus a premium of One dollar ($1.00) per share together with all preferential dividends in arrears and for such purpose dividends shall be deemed to be accruing to the date of redemption, the said amount paid up, premium and dividends being herein called the redemption price;

(c) So long as any of the 6% Preferred Shares are outstanding the Company shall within four months after the close of each fiscal year, commencing with that ending in 1959, establish a sinking fund to be used for the retirement of 6% Preferred Shares by paying over to the Transfer Agent for the Preferred Shares (a) a sum equal to ten percent (10%) of its Net Earnings (as hereinafter defined) for the preceding fiscal year after deduction therefrom of an amount equal to the dividends paid in such year on the 6% Preferred Shares and Preferred Shares of any other series, or (b) $50,000, whichever is the greater; the said sum shall be applied forthwith by the Transfer Agent in the purchase of 6% Preferred Shares at prices per share not exceeding the redemption price, plus cost of purchase, and to the extent that 6% Preferred Shares cannot be so purchased within sixty (60) days of receipt by it of any sinking fund instalment then to the redemption of 6% Preferred Shares in the manner set forth in Clause (5) hereof, the Transfer Agent being substituted for the Company for such purpose.

The Company may, in lieu of providing a sinking fund instalment in cash, from time to time acquire 6% Preferred Shares, in anticipation of sinking fund instalments, by purchase at prices not exceeding the redemption price of such shares plus the cost of purchase, and shall be entitled to apply 6% Preferred Shares so purchased in lieu and in satisfaction of such sinking fund instalments to the extent of the actual cost of the purchase of such shares; the Company shall have the right to purchase 6% Preferred Shares at a price not exceeding the redemption price of such shares plus the cost of purchase, or to redeem 6% Preferred Shares as hereinbefore provided in anticipation of sinking fund instalments in excess of the yearly instalments thereof, and shall be entitled to apply 6% Preferred Shares so purchased or redeemed in satisfaction of future sinking fund instalments at the cost or redemption price thereof as the case may be, and when so applied by tender thereof to the Transfer Agent for cancellation the Company shall be credited with such amount on its obligation to provide sinking fund instalments as aforesaid in subsequent years;

If any of the sums to be provided for the sinking fund instalments are not provided on the dates as herein specified, any default in respect thereof may be cured thereafter by the Company providing the amount required to cure such default from any funds available for that purpose, and the default will thereupon be deemed to be removed;

(d) So long as any of the 6% Preferred Shares shall remain outstanding no additional Preferred Shares shall be allotted and issued:

(i) unless the Net Earnings (as hereinafter defined) for a period of twelve (12) months out of the sixteen (16) months next preceding the date of issue of such additional Preferred Shares shall have been not less than twice (2) the amount required to meet the annual dividend requirements on all 6% Preferred Shares then outstanding and the additional Preferred Shares proposed to be issued;

(ii) unless the amount of the Net Tangible Assets of the Company (as hereinafter defined) as at a date not more than one hundred and twenty (120) days prior to the proposed date of issue, after adding thereto the estimated proceeds to be received from any such proposed issue of shares, is equal to at least 150% of the aggregate par value of the 6% Preferred Shares plus the aggregate par value of the shares to be outstanding after such proposed issue of shares;

(11) The following words and phrases whenever used herein shall be construed as having, and shall have, the following meanings:

(a) "Net Earnings" means the consolidated net profits of the Company determined in accordance with generally accepted accounting practices and without limiting the generality of the foregoing means the gross earnings of the Company and dividends, interest revenues and income derived from all sources (other than capital profits) less all administration, selling and operating expenses of every character in connection therewith (other than capital losses) including therein insurance premiums, interest (including interest on bonds, debentures or other obligations), rentals, fees, licenses, charges and taxes (including income and profits taxes other than taxes with respect to capital profits) and after provision for depreciation;

(b) "Working Capital" means the excess of the current assets over the current liabilities of the Company determined in accordance with generally accepted accounting practices at a date not more than one hundred and twenty (120) days prior to the declaration and/or payment of the dividends or the redemption and/or payment off of the shares in question;

(c) "Net Tangible Assets" means the surplus of assets of the Company excluding goodwill and organization, discount and commission on and expenses of sale of any securities of the Company and deferred expenses over all liabilities of the Company, including unearned income and any reserve for losses and contingencies other than in respect of capital stock, at the date of determination, but adjusted to reflect the estimated proceeds to be received by the Company for the Preferred Shares proposed to be issued and ranking equally with the 6% Preferred Shares;

(d) The word "Company" as used in clauses (1) to (13) hereof shall be deemed, unless the context otherwise requires, to include all its Subsidiary Companies. "Subsidiary Company" means a company or corporation of which more than fifty per cent (50%) of the voting shares is at the time owned or controlled directly or indirectly by or for the Company;

(e) "Consent" means the consent of holders of Preferred Shares evidenced by resolution passed or by special resolution confirmed at a meeting of the holders of Preferred Shares meeting as a class and duly called and held upon at least twenty-one (21) days' notice at which the holders of at least a majority of each series of Preferred Shares outstanding are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds (2/3) of each such series represented and voted at such meeting cast on a poll; if at any such meeting the holders of a majority of each series outstanding are not present or represented by proxy within half an hour after the time designated for the meeting then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be designated by the chairman and at least fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in the notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of each series present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed or a special resolution confirmed thereat by the affirmative vote of the holders of not less than two-thirds (2/3) of each such series represented and voted at such meeting cast on a poll shall constitute the consent of all holders of Preferred Shares; the formalities to be observed with respect to the giving of notice of any such meetings

and adjourned meetings and the conduct thereof shall be those from time to time prescribed in the Articles of the Company with respect to meetings of shareholders; every holder of Preferred Shares at any such meeting shall be entitled to one (1) vote in respect of each share of a series held by him; provided however, that if the matters to be voted on affect one (1) series only then the aforesaid consent need be obtained only from the holders of that series voting as a class;

(12) Net Earnings, Net Tangible Assets and Working Capital shall be determined by the Auditors of the Company. The Auditors may adopt or give effect to any values, provisions or reserves appearing in the accounts of the Company with such adjustments as they may consider necessary. The Auditors shall be deemed to be acting as experts and their decision will be final and binding on the Company as well as on the Preferred Shareholders of all series;

(13) The provisions relating to the Preferred Shares and to any series hereby or hereafter authorized may be repealed, altered, modified, amended or amplified only with the Consent (as hereinbefore defined) of holders of Preferred Shares.

(b) Each Common Share entitles the holder thereof to one vote at all meetings of shareholders. Having regard to the priorities accorded to the holders of Preferred Shares, the common shareholders are entitled to such dividends as may be properly declared and to participation in the assets of the company in the event of liquidation or distribution of capital assets.

(i) No amount is owing by the Company in respect of mortgages and there are no bonds or debentures outstanding or proposed to be issued, nor are there any other securities issued or proposed to be issued, which, if issued, will rank ahead of or **pari passu** with the securities offered by this Prospectus, except that the authorized 50,000 Cumulative Sinking Fund Redeemable Preferred Shares of the par value of $25.00 each referred to in paragraph (g) hereof, after issue will rank **pari passu** with the securities offered by this Prospectus. However, it is contemplated that bonds or debentures may be issued by the Company in order to finance a substantial part of the cost of a Refinery proposed to be built by the Company and referred to under the caption "THE PROGRAM" and subcaption "Stage 3 Refinery" on page 3 of this Prospectus to which reference is hereby made. The amount or nature of such security is not presently known.

(j) Except for the bonds or debentures which may be issued for a Refinery as mentioned in paragraph (i) hereof, to which reference is made, no substantial indebtedness is to be created or assumed by the Company which is not shown in its Pro Forma Balance Sheet as at October 31, 1956 appearing on page 9 hereof.

(k) (i) Each Series "A" Preferred Share offered by this Prospectus will be accompanied by the right of the holder to subscribe for not more than 8 of the Company's Common Shares without nominal or par value as follows:

At $3.00	per share		to March	31,	1958,	inclusive;
At $3.50	" "	thereafter	"	"	" 1959,	"
At $4.00	" "	"	"	"	" 1960,	"
At $4.50	" "	"	"	"	" 1961,	"
At $5.00	" "	"	"	"	" 1962,	"

(ii) As part consideration for H. C. Flood & Co. Limited taking up and paying for the Series "A" Preferred Shares offered by this Prospectus, it will be given the right to subscribe for 2 Common Shares without nominal or par value for each Series "A" Preferred Share taken up and paid for by it. The subscription prices and periods in which the rights may be exercised are as set forth in (i) of this paragraph (k).

Provision is made in said Common Share Subscription Rights for an adjustment thereof under certain conditions and reference is hereby made to the caption "COMMON SHARE SUBSCRIPTION RIGHTS" set forth on page 6 of this Prospectus.

(l) 50,000 6% Cumulative Sinking Fund Redeemable Preferred Shares Series "A" with a nominal or par value of $25.00 per share, together with Common Share Subscription Rights entitling the holder of each Series "A" Preferred Share to subscribe for 8 Common Shares, are offered by this Prospectus. The issue price to the public and the terms thereof, including the amount payable on the application for and allotment of the securities are as stated on the face of this Prospectus to which reference is hereby made.

No public offering of securities of the Company has ever been made. However, in the two years preceding the date of this Prospectus certain of its present shareholders have subscribed for 2,847,471 Common Shares without nominal or par value (now converted into 949,157 common shares without nominal or par value) for a total amount of $658,739.85. Of this amount $558,739.50 was paid by transfer of properties and other consideration and $100,000.35 was paid in cash. All these shares are fully paid and non assessable. No commission was paid or is payable in respect of the issue of the said shares.

(m) The estimated net proceeds, exclusive of $15,000 estimated expenses of this issue, to be derived from the sale of the securities offered by this Prospectus on the basis of the same being fully taken up and paid for is $1,062,500.

(n) The net proceeds of the sale of the securities offered by this Prospectus are to be applied to the following purposes:

(1) Construction of marine terminals and bulk storage facilities for petroleum products at the following estimated cost:

	Marine Terminal and Facilities at Haines and elsewhere in Alaska	$ 388,000
	Bulk Station " " " Whitehorse Y.T.	106,000
	" " " " " Fairbanks, Alaska	120,000
(2)	Balance payable on refinery equipment purchased	50,000
(3)	Preliminary preparation of Refinery site	10,000
(4)	Expenses of issue	15,000
(5)	Working Capital and general corporate purposes, including payment of current liabilities	373,500
		$1,062,500

(o) In the opinion of the Directors $1,062,500 is the minimum amount which must be raised by the issue of the Series "A" Preferred Shares in order to provide the sums required to pay for the acquisition and construction of Marine Terminals and Storage Facilities, the balance of purchase price of certain refinery equipment, expenses of the issue, repayment of monies borrowed by the Company in respect of the foregoing matters, the repayment of bank loans and other current liabilities. Reference is made to paragraph (p) hereof for the commission payable by the Company on the sale of the Series "A" Preferred Shares.

(p) By letter agreement dated January 30, 1957, the Company has agreed to sell and H. C. Flood & Co. Limited, subject to the conditions therein set forth, has agreed to purchase not later than April 9th, 1957, the 50,000 Series "A" Preferred Shares offered by this Prospectus accompanied by Common Share Subscription Rights, at $25 per share for a total of $1,250,000. H. C. Flood & Co. Limited will be paid a commission of $3.75 for each Series "A" Preferred Share taken up and paid for and, in addition, will receive Common Share Subscription Rights entitling the holder (H. C. Flood & Co. Limited or assignees) to purchase 2 Common Shares of the Company for each Series "A" Preferred Share taken up and paid for by H. C. Flood & Co. Limited. Such Common Share Subscription Rights are similar in prices, terms and conditions to those accompanying the Series "A" Preferred Shares offered by this Prospectus, to which reference is made in paragraph (k) hereof.

(q) The Articles of Association of the Company provide that the remuneration of the Directors shall be such amount as may be from time to time determined by the Company in general meeting.

(r) None of the Officers of the Company have received remuneration in its last financial year in excess of $10,000 per annum. One Officer, not Joseph T. Sparling, who is also a Director, is currently being remunerated at a monthly rate which, if continued, will aggregate $12,000 per annum. In addition Sparling Sales Ltd., of which Joseph T. Sparling is President and a Director, is currently being remunerated at the rate of $1,000 per month for management and administrative services provided to the Company, under verbal agreement terminable on simple notice. The aggregate remuneration paid by the Company to the Directors as such during its last financial year was nil. No remuneration for the Directors has been fixed for the current financial year.

(s) No amount or commission has been paid by the Company within the two (2) preceding years, nor is any payable by the Company, for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company, except with respect to the present offering as to which reference is made to paragraph (p) hereof.

(t) The Company has been actively carrying on business since June 1955.

(u) The following are particulars of properties purchased or acquired within the last two preceding years. None are to be paid for out of the proceeds of the Series "A" Preferred Shares offered by this Prospectus except the $50,000.00 referred to in subparagraph (6) hereof.

(1) Under agreements dated June 14, 1955, as amended August 6, 1955, the Company purchased from San Diego Syndicate, comprised of Joseph Theodore Sparling of 9911 - 136th Street, Edmonton, Alberta, and Eberhard F. Weerts of 3005 Midway Drive, San Diego, California, and Arthur Lawrence Herzog of 318 Orpheum Theatre Building, San Diego, California, for a consideration of 750,000 of its Common Shares and the cancellation of the Syndicate's own indebtedness to the Company of $20,585.92, the following properties:

(i) The Syndicate's entire interest in a letter agreement, dated May 5, 1955, entitling the Syndicate to purchase from Imperial Oil Limited certain petroleum and natural gas leases (subject to Lessor's 12½% and Imperial Oil Limited's 3% royalties) covering SE ¼ 35, 54, 25, W.4 Mer., SW ¼ 6, 55, 24, W.4 Mer., S ½ 1, 55, 25, W.4 Mer., together with the oil wells thereon and production equipment for a price of $100,000, cash subsequently paid to Imperial Oil Limited.

(ii) 15,000 Common Shares without nominal or par value of Silver City Petroleums Ltd. and 25,000 of said Company's shares retained in escrow.

(iii) A promissory note payable to the Company made by A. L. Herzog and E.F. Weerts for $31,300.

(iv) All the Syndicate's interest being a 9/25ths working interest in the following oil and gas leases, namely:

(a) Lease of September 17, 1954 comprising the E½ of NE¼ of Sec. 8 - 30 S - 29 E - M.D.B.M., 80 acres from R.O. Baughman and B.A. Baughman recorded September 30, 1954 in official records of Kern County California, Book 2296, page 170, subject to overriding gross royalty of 19½%.

(b) Lease of April 7, 1954 from E.A. Kirschenmann et al, recorded May 10, 1954 in official records of Kern County California, Book 2230, page 3641 - 46 subject to overriding gross royalty.

(2) Under Agreement dated as of June 1, 1955, as amended, the Company purchased from Eric Milwyn Duggan of 11712 Edinboro Rd., Edmonton, Alberta, for a consideration of 25,000 Common

Shares, his interest, subject to overriding gross royalty of 2½% and usual Crown royalty, in Crown Petroleum Natural Gas Reservation No. 2139 issued through the Department of Mines and Minerals of the Province of Alberta covering 20,000 acres more or less in Twp. 55, Rges. 7 and 8 W.6 Mer. Alberta.

(3) Under an agreement dated May 31, 1956, as amended, the Company purchased from Neil W. Tracy of Calgary, Alberta, for a consideration of $28,734.30 of which $3,731.50 was satisfied by the issue of 7,463 Common Shares, and the Company's undertaking to carry out a geological program involving a minimum expenditure of $20,000, all his interest, subject to overriding gross royalty of 2½% and usual Crown royalty, in Dominion Government territorial petroleum and natural gas permits 855, 856, 857, 858 and 953 lying on the Northern British Columbia border between Lat. 60° 00 and 60° 10 N and Long. 126° 15 and 129° 30 W, comprising in all 287,343 acres more or less.

(4) Under an arrangement completed July 9, 1956, the Company purchased from the said Joseph Theodore Sparling, for a consideration of 200,000 fully paid non-assessable Common Shares of the Company and reimbursement of $18,308.70 for advances made on development and assumption of future liabilities in connection with the 25% interest in the Bakersfield properties and reimbursement of Sparling Sales Ltd. to the extent of $20,000, all his 16/25ths working interest in the oil and gas leases, more particularly described in part 1. (iv) of this paragraph (u).

All the properties listed in the foregoing paragraphs 1 to 4, inclusive, of this paragraph (u) were sold by the Company of Silver City Petroleums Ltd. as of June 30, 1956 for a consideration of 780,508 shares of Silver City Petroleums Ltd. and that Company's promissory note payable to the Company in the amount of $132,000 due July 9, 1958.

(5) Under Agreement dated as of October 26, 1956, the Company purchased from said Joseph Theodore Sparling, together with his undertaking to convey on his completion of purchase arrangements, for a consideration of 600,000 Common Shares allotted to him, all his interest in the following lands, namely:

(i) Twp. 1 S. Rge 1 W. Fairbanks Mer. in Sec. 24; NW¼ of NW¼ of SW¼ of NW¼ and that portion of W½ of SW¼ of NW¼ of NW¼ lying S of the Richardson Highway, approximately 5.1 acres at Fairbanks, Alaska;

(ii) 35 acres at Haines, Alaska, to be determined by survey;

(iii) Block 40, Lots 1, 2, 2½, 3½, 7, 8, 9, 10, 11, 12 and Block 76, Lots 8, 9, 10, 11, 12 and 13, all at Valdez, Alaska; and

(iv) approximately 3 acres being a portion of Lot 13, Group 5 Yukon Territory, at Whitehorse, Yukon Territory.

(6) Under Agreement dated July 23, 1956 with J. B. Patterson of Amarillo, Texas, and subsequent Agreement with him dated August 24, 1956 and Agreement dated July 31, 1956 with The Refinery Engineering Company of Tulsa, Oklahoma, the Company agreed to the purchase of the equipment of a refinery plant located in Electra, Texas, including all machinery, equipment, spare parts, process piping and other personal property located thereon for a total consideration of 600,000 Common Shares of the Company issued to Patterson and $50,000.00 payable to The Refinery Engineering Company. These Agreements are referred to in items 10, 11 & 12 of paragraph (za) hereof.

(v) The names and addresses of Vendors of property and the amounts paid or payable to them are all set forth in paragraph (u) and paragraph (za) hereof.

(w) The number and amount of securities which, within the two preceding years, have been issued or agreed to be issued as fully paid up or partly paid up, otherwise than in cash, are:

	Number of Common Shares fully paid up	Consideration
	750,000	Properties mentioned in paragraph (u) sub-paragraph 1.
	25,000	Properties noted in paragraph (u) sub-paragraph 2.
	200,000	Properties noted in paragraph (u) sub-paragraph 4.
	600,000	Properties noted in paragraph (u) sub-paragraph 6.
	7,463	Properties mentioned in paragraph (u) sub-paragraph 3.
	20,004	20,004 Class "A" Voting Shares of Alaska Shamrock Distributors Inc.
	600,000	Agreement to convey Properties mentioned in paragraph (u) sub-paragraph 5.
	20,004	20,004 Common Shares of Yukon Shamrock Distributors Ltd.
	200,000	Promissory note for $100,000 receivable July 1, 1957.
TOTAL	2,422,471	

Note: The said 2,422,471 with the other shares allotted for cash were, on November 15, 1956, converted into stock and on the same date, re-converted into a total of 949,157 shares.

(x) No obligations are offered by this Prospectus.

(y) Certain administrative services and legal and accounting services rendered and to be rendered to the Company are to be paid for by the Company partly out of the proceeds of the securities offered by this Prospectus.

(z) Nothing has been paid or is intended to be paid to any promoter.

(za) The material contracts entered into by the Company, otherwise than in the ordinary course of carrying on its business, within the two preceding years are:—

(1) Agreement dated May 12, 1955, between Dominion Leaseholds Ltd. and Silver City Petroleums Ltd., regarding the purchase by the latter of properties of the former for shares. See (6) below.

(2) Agreement dated May 12, 1955, between H. P. W. Wright, Dominion Leaseholds Ltd., J. T. Sparling and Silver City Petroleums Ltd., regarding the purchase by Sparling of shares of Silver City Petroleums Ltd. from Wright and Dominion Leaseholds Ltd. See (6) below.

(3) Agreement dated June 1, 1955, between E. M. Duggan and the Company, regarding purchase by the Company of Reservation No. 2139 for shares.

(4) Agreement dated June 14, 1955, between San Diego Syndicate and the Company regarding purchase by the Company from the Syndicate of petroleum and natural gas leases, producing wells and other assets for shares.

(5) Agreement dated June 29, 1955, between San Diego Syndicate and the Company regarding the assumption by the Company of covenants to be performed by San Diego Syndicate in favour of Imperial Oil Ltd.

(6) Agreement dated May 11, 1956, between H. P. W. Wright, Dominion Leaseholds Ltd., J. T. Sparling, Silver City Petroleums Ltd. and the Company, regarding purchase by the Company and J. T. Sparling of shares of Silver City Petroleums Ltd. and respecting extension of time.

(7) Agreement dated May 31, 1956, between N. W. Tracy and the Company, regarding assignment of Crown Reservations on Yukon-B.C. border amended by resolution of the Directors and by Agreement dated July 30, 1956.

(8) Agreement dated July 9, 1956, between Silver City Petroleums Ltd. and the Company, regarding the sale by the Company to Silver City Petroleums Ltd. of oil and gas producing wells and Reservation Rights and other assets, effective June 30, 1956, in consideration of 780,508 shares of Silver City Petroleums Ltd. and its promissory note for $132,000.

(9) Agreement dated July 9, 1956, made by Directors' resolution and agreed to between J. T. Sparling and the Company regarding purchase by the Company from Sparling of 16/25th participation interests in Bakersfield wells. The interests purchased were sold by agreement referred to in (8) above.

(10) Agreement dated July 23, 1956, with J. B. Patterson regarding purchase by the Company from Patterson of certain refinery equipment at Electra, Texas, for 600,000 shares and $50.000.

(11) Agreement dated July 31, 1956, between The Refinery Engineering Company and the Company, together with subsequent exchange of communications between the Parties regarding installation of Marine Terminals, Bulk Stations and refinery construction proposals and refinery equipment.

(12) Agreement dated August 24, 1956, between J. B. Patterson and the Company concluding purchase agreement regarding refinery equipment.

(13) Agreement dated August 24, 1956, between Alaska Propane Company Inc. and the Company regarding incorporation of Alaska Shamrock Distributors Inc. and share capital participation therein by the Parties.

(14) Agreement dated August 28, 1956, between Royalite Oil Company, Limited and the Company regarding erection of refinery and outlining facilities and method of proposed distribution operations.

(15) Agreement dated August 28, 1956, between Alaska Shamrock Distributors Inc. and the Company, regarding minimum acceptance of refined products.

(16) Letter of Intent dated November 1, 1956, from Royalite Oil Company, Limited to the Company, regarding proposed rentals for Marine Terminals, Bulk Station sites and dock usage.

(17) Agreement dated September 19, 1956, between Yukon Shamrock Distributors Ltd. and the Company, regarding minimum acceptance of refined products.

(18) Agreement dated October 26, 1956, between J. T. Sparling and the Company, regarding purchase of one Bulk Station site and two Marine Terminals in Alaska and one Bulk Station site in Yukon.

(19) Agreement dated November 13, 1956, between Yukon Shamrock Distributors Ltd. and the Company regarding the Company's right to share capital participation in Yukon Shamrock Distributors Ltd.

(20) Letter Agreement between H. C. Flood and Co. Limited and the Company dated January 30, 1957, respecting the purchase of the securities offered by this Prospectus.

The said contracts may be inspected during ordinary business hours at the office of the Company at 11751 — 124th Street, Edmonton, Alberta, during the period of primary distribution of the securities offered by this Prospectus.

(zb) The Company contracted to acquire within the preceding two years (*i*) from Joseph T. Sparling, a Director of the Company, the properties, more particularly referred to in sub-paragraphs 1 (i) and 1 (iv) and 4 and 5, (i), (ii), (iii) and (iv) of paragraph (u) hereof and (*ii*) from Eric M. Duggan, a Director of the Company, the property more particularly referred to in sub-paragraph 2 of paragraph (u) hereof.

(zc) The Company has been carrying on business actively since June 1955.

(zd) To the knowledge of the undersigned, there are no persons who, by reason of beneficial ownership of securities of the Company, namely, Common Shares without nominal or par value, or by reason of any agreements in writing, are in a position to elect or are entitled to elect or cause to be elected a majority of the Directors of the Company.

(ze) The undersigned are not aware of any securities of the Company being held in escrow except 200,000 Common Shares (now converted into 66,666 Common Shares) held by Montreal Trust Company. The same will be released to the extent that payments are made on account of the $100,000.00 note given by J. T. Sparling therefor.

(zf) No dividends have been paid by the Company.

(zg) The financial statements of the Company forming part of this Prospectus consist only of the actual and pro forma Balance Sheets as at October 31st, 1956. No statement of income is provided as the Company, since commencement of active business operations in June, 1955, has, as of June 30, 1956, disposed of the assets and undertaking from which it derived, until that date, an income insufficient to meet its operating expenses.

The Articles of Association of the Company provide that a balance sheet, made up to a date not more than six months before each Annual General Meeting of the Company, and accompanied by report of the Directors and Auditors, shall be mailed to the persons entitled to receive notice of such Meeting at least five days previous to the date thereof.

A certificate authorizing the Company to expend moneys received from the sale of securities was issued to the Company by the Alberta Securities Commission on the 22nd day of January 1957.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Part IX of The Securities Act, 1955 (Alberta), by Section 39 of the Securities Act (Ontario), by the Quebec Securities Act, by Section 13 of the Security Frauds Prevention Act (New Brunswick), and Section 39 of the Securities Act, 1954, (Saskatchewan), and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Signed — DIRECTORS

E. M. DUGGAN

H. A. FULLER
by J. T. SPARLING his agent

H. H. HEISLER

G. B. McKEEN
by J. T. SPARLING his agent

J. T. SPARLING

C. M. DRURY

J. G. PORTEOUS

JOHN C. ROGERS

DATED this 14th day of February, 1957.

UNDERWRITER

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Part IX of The Securities Act, 1955, (Alberta), by Section 39 of the Securities Act (Ontario), by the Quebec Securities Act, by Section 13 of The Security Frauds Prevention Act (New Brunswick), and Section 39 of The Securities Act (Saskatchewan), and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

H. C. FLOOD & CO. LIMITED

Per G. T. HOWARD

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of H. C. Flood & Co. Limited: H. C. Flood, T. C. Flood, B. O. Flood, J. C. Rogers.